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Forthcoming in Qualitative Research in Management

**Making Sense of Government Budgets: An Internal Transparency
Perspective**

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ABSTRACT

Purpose This paper studies government budgeting which is traditionally regarded as opaque.

Design/Methodology/Approach The approach is a case study with multiple sources of information including policy documents, minutes of meetings and elite interviews

Findings Transparency is widely regarded as of intrinsic value in contemporary society. This study reveals opposition to transparency by elected politicians and the manner in which it is enacted.

Research Limitations/ Implications Further studies in different contexts to determine the generality of these findings would be useful.

Originality/Value This study is the first to examine the 3 stage model of transparency devised by Biondi and Lapsley (QRAM 2014). This offers a more nuanced understanding of what transparency means in the context of government budgets.

Keywords: Government budgeting; transparency; political context

Paper Type: Research paper

1. Introduction

Transparency denotes government according to fixed and published rules, on the basis of information and procedures that are accessible to the public and within clearly demarcated fields of activity (Hood, 2001 p.701). This paper examines the issue of transparency in government budgeting which should be a key public accountability mechanism. Indeed, the desire for transparency in public affairs has become a taken for granted aim of public finances in the 21st century as a way to give credibility to economic policies and thereby, enhancing economic growth (Bastida and Benito, 2009). It is defined as full disclosure of all relevant fiscal information in a timely and systematic manner (OECD, 2001). It is an aim which is reiterated by many international bodies and governments (International Monetary Fund, 2014; OECD, 2014, p.19) as an aim which is beyond reproach.

There is now a burgeoning literature on the subject of transparency in government, particularly regarding public finances. However, most of this literature is directed at discussion of transparency as an *external*, outward-facing phenomenon by which state bodies are, or should be, held publicly accountable for their activities. A new development in the transparency literature is the need to address *internal transparency* in public services organisations as an important element of the transparency debate (Heald, 2012; 2013; Robbins and Lapsley, 2015). In this regard, the particular facet of transparency which is discussed in this paper is that of *internal* transparency. This focus offers a fresh perspective on government budgeting. While government budgeting has gained a longstanding notoriety for being complex and opaque (Likierman and Vass, 1984; Likierman and Creasey, 1985; Connolly and Hyndman, 2006; Kurunmaki *et al.*, 2011; Ezzamel *et al.*, 2014), these studies have not uncovered key aspects of political behaviour in budgeting. These earlier studies have revealed how politicians have an interest in, but difficulties with, government budgeting (Alesina and Perotti, 1996; Ezzamel *et al.*, 2014). This study goes beyond these findings and reveals how the behaviour of elected members of parliaments can undermine transparency.

The aim of this paper is to examine the topic of *internal transparency* within the Scottish Parliament, an organisation which has made an explicit obligation to be transparent in financial matters. This paper uses the Biondi and Lapsley (2014) model of transparency (BL model) to determine the extent to which the avowed aim of transparency at the Scottish Parliament is achieved in practice. Specifically, we seek to analyse if the three levels of budget transparency advocated by the BL model ((1) access; (2) understanding and (3) shared meanings or understandings) are being achieved by the main actors involved in the Scottish budget process, namely, the Scottish Parliament's Committees, the Scottish Parliament and the Scottish Government. For this purpose, we use a combined methods approach with documentary analysis, some observation and elite interviews with experienced parliamentarians.

Therefore, this paper contributes to the emergent literature on internal transparency by offering fresh evidence on government budgeting using a novel lens, the BL model (Biondi and Lapsley, 2014), to study internal transparency in practice. In advancing this 3 stage model of transparency, Biondi and Lapsley (2014) were only able to examine the first stage of their model. This paper contributes the first attempt to evaluate *all three* of the Biondi-Lapsley stages of transparency. This offers a more nuanced perspective for the study of transparency in government budgeting. Our findings reveal the fundamental significance of the political context in achieving or inhibiting transparency in government budgeting. In particular, while this paper explores government budgeting from the perspective of transparency, there are significant issues around the dimension of trust. This paper uncovers evidence of a study setting which has declared aims of transparency but in which elected representatives exploit their discretion to undermine transparency. This is a major issue for all those concerned with government budgeting. Much of the extant literature on transparency presumes governments face instrumental situations in which information is provided and acted upon. This study questions that perspective. This paper offers evidence that elected representatives can and will exploit their discretion to undermine transparency, which raises significant issues of trust in politicians by the electorate.

The paper is organised as follows: the next section discusses transparency; then the research context and the research design for this study are set out; the results from this study are then analysed. Finally, concluding observations are made.

2. Theoretical framework: transparency

A fundamental, desired attribute of accounting and management in public sector organisations is that of transparency. The intrinsic merit of transparency as a feature of public management is advanced by Shah *et al.* (2003). Indeed, Hood (2006) describes ‘transparency’ in public management as having acquired a ‘quasi-religious’ influence. This pressure for transparency in public finances has assumed an international significance (Gomez *et al.*, 2004; Relly and Sabharwal, 2009; Hood, 2013). The extant literature on financial transparency emphasises an outward facing, external accountability regime for public service organisations (see, for example, Hood and Heald, 2006). We can see this perspective in the observations that transparency is *essential* in promoting effective public accountability (Koppell, 2005) because it acts as a powerful tool to counter opaqueness (Roberts, 2009). Moreover, there are implicit assumptions within the arguments of proponents of transparency that, somehow, greater transparency has better policy outcomes, but this is unproven (Finkelstein, 2000).

New Public Management (NPM) reforms have accentuated the need for greater transparency from public sector bodies. However, while public sector reforms based on the NPM shift public management to a results-orientation, which encourages external scrutiny and transparency of public sector organisations finances (Hood, 1991), there is growing recognition that there is need for a more nuanced understanding of *internal* transparency (Heald, 2012; 2013; Robbins and Lapsley, 2015). An enhanced internal transparency of accounting information can be seen as the mirror image of external accountability (Robbins and Lapsley, 2015). An early observation by Hood (1996, p.155) highlights the significance of more sophisticated internal accounting in public sector organisations which is of intrinsic interest to both managers and external stakeholders:

“.. budgets are becoming more ‘transparent’ in accounting terms, attributing costs to outputs and measuring outputs by qualitative performance indicators.”

The characteristics of public sector organisations further the case for internal transparency. In Heald’s analysis, vertical accountability, which is found in predominantly hierarchical public sector organisations, is always accompanied by horizontal pressures for *inwards* transparency within the organisation (Heald, 2012). This is the logical outcome of an NPM managerial regime in which managers have to act on financial and performance information within their organisations (Strathern, 2004; Arnaboldi *et al.*, 2015). A well-designed hierarchy of reporting documents is

essential to underpin meaningful transparency (Heald, 2012), thus allowing users to drill down from an overview to relevant segmental details as needed. In this way internal transparency can be seen as an essential component of effective managerial decision making and control systems (Schedler, 2003; Wouters and Wilderom, 2008; Carlsson-Watt *et al.*, 2015). In the public sector, this information is then divulged to a wide range of potentially interested persons, including citizens, elected representatives of citizens, users of services and oversight bodies as a necessary part of public accountability.

There are also issues over the nature of transparency, itself, which appears simple and straightforward, but which may prove complex in practice. The mere act of making available new forms of information to achieve transparency can be seen as uni-dimensional and not addressing the complexity of the different behaviours of actors in the exercise of accountability (Meijer, 2009; 2013). To further develop emergent ideas of what constitutes ‘transparency’, there is a need to extend our understanding beyond disclosure and awareness. This process needs to recognise that the transmission of information is not without cost (Etzioni, 2010) and may not be neutral, and that important elements of transparency reside in the capacity of intended recipients to interrogate financial information. In fact, transparency must be more than disclosure or openness. If transparency is to lead to accountability and ultimately to trust, organisations must ensure that their disclosures are accessible to, and assessable by, relevant stakeholders (Heald, 2006a; 2006b; O’Neill, 2006). Therefore, the concept of transparency – in theory and in practice – merits further study and this paper seeks to contribute to an emergent theory of internal transparency by using the BL model.

Government budgeting is the focus of this paper, where the intersection of public interest, political manoeuvring, government obligation and media scrutiny combines with the need to oversee the delivery of public services to citizens. To address this focus on government budgeting, this paper draws on BL model, which identified three levels of transparency (Biondi and Lapsley, 2014):

1. At one level, *access* to information is seen as achieving the aim of transparency (Cangiano, 1996; Kondo, 2002; Nielsen and Madsen, 2009);
2. A second level of transparency which is best achieved when there is a genuine level of *understanding* of the phenomenon disclosed (Winkler, 2000, p.7); and

3. A third level of transparency which is achieved where a sophisticated level of understanding, which extends to *shared meanings*, is held by potentially interested parties in the phenomenon disclosed (Florini, 1999; Christensen, 2002; van Bijsterveld, 2005).

The potential of the BL model is highly significant. There is a vast and growing interest in the subject of transparency. However, much of this literature presumes disclosure of information achieves transparency. This is a simplistic approach. The BL model challenges that prevailing trend and offers a more sophisticated approach to evaluate the extent to which government bodies can claim that they do indeed operate with transparency in public finances. The aim of this paper is to examine these three levels of budget transparency in the Scottish budgetary system, which allows a more in depth analysis of internal transparency. Specifically, we seek to determine if these levels of budget transparency are being achieved by the main actors involved in the Scottish budget process, namely, the Scottish Parliament's Committees, the Scottish Parliament and the Scottish Government. These issues are deliberated upon further in the light of the evidence from this study.

3. Research context: the Scottish Parliament

The Scottish Parliament is a pertinent study setting for an investigation of government budgeting from a transparency perspective. It is a new parliament which was established in 1999 by devolving powers from Westminster, the UK Parliament. This new parliament was created in reaction to perceptions that priorities and shifting emphasis of public policy at Westminster were out of sympathy with majority opinion in Scotland (Gamble, 2006). The pre-1999 arrangements offered a lack of political accountability with few Scottish pieces of legislation being debated at Westminster, with suspicions that civil servants at the Scottish Office had too much influence and limited public scrutiny of the policies and actions of the Secretary of State for Scotland and his team (Bogdanor, 2001). This new parliament was designed to support scrutiny and discussion of the activities of the Scottish Government. An overriding focus of this new parliament has been openness in parliamentary activities (Mitchell, 2006). This offers the opportunity to study governmental budgeting in a parliament with the declared aim of achieving transparency.

The concept of devolution was that the government held reserve powers for policies to be handled centrally (foreign policy, defence, economics policy, etc.), with delegated

powers devolved to the Scottish Parliament for key services (including health, education, social services). As part of the process of preparing for devolution, the then Secretary of State for Scotland initiated a Financial Issues Advisory Group (FIAG) to advise the Scottish Parliament on budgetary control. The FIAG recommended that the overwhelming aim of the budgetary system of the new Scottish Parliament was that of *transparency*: the management of finances in a way that is open, accessible and accountable to the people of Scotland (Scottish Office, 1998, p.3).

The Scottish Parliament is a unicameral body, with supporting business Committees for each of the departments comprising the Scottish Executive which cover the spectrum of parliamentary business and which include members of all political parties. These Committees fulfil a major function in the Scottish Parliament's discharge of its responsibilities (Lynch, 2001). The FIAG observed that it would not be appropriate for the Scottish Parliament to merely adopt the existing practices of budgetary scrutiny of the UK Parliament at Westminster because of the limited scrutiny of budgetary documents, and it recommended an inclusive budgetary cycle at which all the business Committees of the Parliament could comment on and influence the budget (Scottish Office, 1998b, p.28). The adoption of these budgetary practices presents the possibility of a more deliberate consideration of Parliamentary business in a non-partisan setting - a setting which, *prima facie*, is favourable to the potential of accounting informing the decision-making process (Ezzamel *et al.*, 2014).

Within the Scottish Parliament's budgetary scrutiny process, these business Committees were charged with evaluation of strategic priorities and of the draft budget. The evaluations of these business Committees on the budget are collated by the Finance Committee of the Scottish Parliament for a debate in the Parliament itself. These activities by Parliamentary Committees are a prelude to the formal evaluation of the budget in the Scottish Parliament. These aspects of government budgeting are a major focus of this research.

4. Research design

The aim of this paper is to examine the three levels of budget transparency advocated by the BL model (Biondi and Lapsley, 2014) in the Scottish budgetary system. This is a case study research project, which allows a more in depth analysis of internal transparency (Stake, 1995). Specifically, we seek to determine if these levels of budget transparency are achieved by the main actors involved in the Scottish budget process,

namely, the Scottish Parliament's Committees, the Scottish Parliament and the Scottish Government.

The major source of information in this research is public documents. Documents may fulfil a variety of purposes: obstacles to understanding, carriers of information and 'facts' to be translated and interpreted (Prior, 2003, p.21). The analysis of documents provides important traces of how of this Parliament functions.. Parliamentary documents are not mere receptacles of information. They are important traces of policy debate and contests which reveal outcomes of interaction and context in the everyday life of this organisation.

Therefore, documents exhibit much deeper meanings than their nominal content might indicate. The role of documents as the gathering of 'facts', which shapes both policy making and judgement, has wider influences. In particular, these representations may represent an integration of the views, positions and alignment of key actors in policy debates (Prior, 2008).

This research team recognises the merits of other approaches to data collection and analysis. To this end, the authors undertook limited observations on their frequent visits to this study site. However, to the extent that there is observation in this study, it is non-participant and 'on the periphery of interaction' (Bryman, 1989, p.153). These observations informed the research team thinking and analysis. In addition, the research team undertook elite interviews with experienced Parliamentarians to complete our evidence on the transparency of budgetary processes. Elite interviews are notoriously difficult to obtain and to arrange, given the pressures on the interview subjects (Lilleker, 2003). However, these interviews offer authoritative insights into the prevalence of transparency within the Scottish budgetary system (Harvey, 2011).

This study examines the experiences of Session 4 of the Scottish Parliament (2011-2016). This is the first majority government in Scotland since the Scottish Parliament was established in 1999. We use a sample of Scottish Parliament's Committees from Session 4. Specifically, we use those Scottish Parliament's Committees whose business has more weight on the Scottish Government's Budget. They are shown in Table 1.

(Table 1 here)

Firstly, we look at the Committees' meetings that deal with budget issues during Session 4 to evaluate if they scrutinise the Scottish Government's Draft Budget in a transparent way. This analysis tests the presumption that politicians are positive supporters of the desirability of transparency by examining how they exercise their discretion to disclose or not, important parts of their Committee decisions. Second, the research team tested the BL model of transparency by examining the Committees' official reports on Scottish Government's Draft Budget 2014-15. This was to assess the level of financial transparency of the Scottish Government. This tests whether the Scottish Government's Draft Budget is transparent (or not), by focussing on the Committees official reports on Government's Draft Budget.

Third, we examine the evidence from the elite interviews. These interviews supplement the documentary analysis of the Committee work. The elite interviews offer insights into interviewee experiences of the transparency of the Scottish budgetary system as a whole. These were interviews with six experienced Members of the Scottish Parliament (MSP) with involvement in the main Committees of the Scottish Parliament. We selected these MSP to ensure that the political parties represented in the parliament were included. These MSPs were primarily selected because of their knowledge and experience of scrutinising government budgeting. They were selected because they had sufficient expertise both to comment on processes within the government budgetary cycle and to comment on the participation by other members of parliamentary committees in the scrutiny of government budgets. We interviewed these six MSP during the months of March and April 2014 in their offices in the Parliament. For this purpose, we designed a questionnaire which consists of 9 open questions on budget transparency matters. The interviewees were given sight of the questions and we went through these questions in sequence. The questionnaire used in this study is available from the authors.

5. Results: The Attenuation of Transparency

5.1. The Political Decision to Withdraw from the Public Gaze

An overriding observation of this study is the manner in which actions by elected representatives limit transparency. Scrutiny of reports of the official meetings of the Scottish Parliament's Committees shows an inclination of elected members of the parliament to constrain the **public** nature of their debates, to opt for in camera (private) meetings and thereby, to undermine transparency. Where politicians have discretion

over divulging or restraining information from these meetings, there is a consistent pattern of having private meetings and withdrawing from the public gaze. Given the stated aim of transparency by the Scottish Parliament, this behaviour raises doubts about the extent to which the electorate can trust politicians. This dimension of transparency is revisited below.

The Scottish Parliament's Committees' meetings that deal with budget issues during Session 4 of the Scottish Parliament are examined in some detail, next. Specifically, we select the Committees' official meetings that treat Draft budget 2012-13, 2013-14 and 2014-15 that took place in 2011, 2012, and 2013, respectively.

Table 2 presents an analysis of these Committees' meetings. As we see, during Session 4, the Committees devoted on average 27.32 % of their official meetings to budget issues. However, the differences between the Committees vary. For instance, whereas the Justice Committee devoted only 19.57 % of its meetings to budgetary matters, the Local Government and Regeneration Committee dedicated 35.06% of its meetings in 2011 (see the minimum and maximum of the '% Budget meetings' column, respectively). The extent to which these meetings were open to the public (any citizen is allowed to attend the Committee's meeting) or in camera (a private discussion where only the Committee members can attend the meeting) also varied considerably. For example, the Finance Committee took 61.54 % of their budget matters in public (38.46 % in camera), while others devoted a much lower percentage (the average is 44.54 %) (see '% Public (Open) budget business' column).

(Table 2 here)

As we can see from Table 2, the Scottish Parliament Committees took some budget business in open meetings but mostly in private. Significant business is often held in private, for example, in selecting their budget adviser, the business committees operate in private. Table 3 summarizes what kind of budgetary matters the Committees usually

discuss in their meetings, and if they do it in public or private. We find that most budget issues are treated in the same way by the different Committees¹.

Only two of the budgetary matters seem to be taken differently by the Committees: the budget strategy phase and the Scottish Government's response to the Committee's Report. While some Committees deal with the budget strategy phase in public (see e.g., Economy, Energy and Tourism Committee), others do it in camera (see e.g., Infrastructure and Capital Investment Committee). As for the Scottish Government's response to the Committee's Report is the same situation: Finance Committee discusses these responses in public, whereas Local Government and Regeneration Committee do it in camera. Regarding the rest of budgetary matters, we find that the most important issues related to the budget scrutiny process are also taken in camera (considering a briefing from its budget adviser on the Scottish Government's Draft Budget; agreeing the approach to the scrutiny of the Scottish Government's Draft Budget; reviewing the evidence heard; considering the draft report on the Scottish Government's Draft Budget; and, agreeing the report on the Scottish Government's Draft Budget), while open meetings are only held to take evidence on the Scottish Government's Draft Budget.

(Table 3 here)

Therefore, it seems that the Committees do not scrutinize the Scottish Government's Draft Budget in a very transparent way. They deal with the most important budget business in camera, while open meetings are only held to take evidence.

5.2. Levels of Transparency: An Examination of the BL Model

In this section, Committee reports are studied to assess evidence of the levels of transparency identified in the BL model (Biondi and Lapsley, 2014). As part of the Scottish Government budgetary cycle, Committees of the Scottish Parliament have an opportunity to comment on the budget proposals and to make specific requests for additional information.

In this section, we examine the Committees' official reports on the Scottish Government's Draft Budget for 2014-15. We have classified the different requests that

¹ We would like to note that some of the budgetary matters are not discussed in some of the Scottish Parliament Committees.

Committees made in their official report on Scottish Government's Draft Budget 2014-15 into three categories: requests for more information; requests for clarification; and a wish list of desirable lines of expenditure in the budget, from a Committee perspective. These categories are related to the three levels of budget transparency as referred to in the BL model: access to information, understanding of the phenomenon disclosed and shared meanings, respectively. The third example of transparency over 'shared meanings' uses expressions of proposed new expenditure (or 'wish lists') by Committees as indicative of shared meanings over what is desirable within the sphere of interest of particular Committees. Table 4 presents an analysis of the Committees' requests.

(Table 4 here)

As can be seen from Table 4, during the discussion of the Scottish Government's Draft Budget 2014-15 in the different Committees, on average, 43.18% of the Committees' requests were related to requests for more information, with 25.31% for clarification and the remaining 31.51% for wish list items. However, the differences between the Committees vary widely. For example, 69.64 % of the Economy, Energy and Tourism Committee's requests related to more information, while others devoted a much lower percentage to this issue (the average was 43.18 %). Moreover, whereas the Infrastructure and Capital Investment Committee devoted only 10.71% of their requests on Scottish Government's Draft Budget 2014-15 to ask for clarification, the Education and Culture Committee dedicated 41.67% (see the minimum and maximum of the '% Requests for clarification' column, respectively). Finally, the differences regarding the wish list are also significant (see the minimum (15.38%) and maximum (46.43%) of the '%Wish list' column).

Therefore, the Committees official reports on Government's Draft Budget 2014-15 indicate that the Scottish Government is not so transparent, since the Committees have to ask the Scottish Government for more information, for clarification or to express wishes about Government's Draft Budget (233 requests in total). Indeed, certain of these results are prima facie evidence of a failure by the Scottish Government to reach the first level of budget transparency, since the 43.18% of the requests are related to asking for

more information from the Scottish Government, so it would appear that more access to budget information is required. Similarly, the levels of questions seeking clarifications raise issues about levels of understanding within budget discussions (i.e. BLs level 2 transparency). However, the range of requests for additional funds shows that there may be shared meanings within certain of these Committees, thereby indicating possible level 3 transparency as defined by BL.

5.3. Levels of Transparency: The BL Model revisited.

In our interviews with the MSPs on transparency in the Scottish budgetary system, there was a distinct convergence of views which supported but also extended the preliminary analysis above. In the discussion of Level 1 transparency there was a consistent message that “we pretty much get what we want” (MSP3). One MSP (MSP2) clarified the manner and nature of requests by Committees for more information from the Government, which they saw as exercising their right to information. One interviewee (MSP5) observed that the Cabinet Secretary in their area gave evidence and if he could not answer questions directly on the day, he would provide a written answer which this Committee felt was completely transparent. However, there were suggestions that not all questions were fully answered. This includes a query which MSP1 had on business rates which was never fully answered to his satisfaction. Also, MSP4 encountered evasive, opaque evidence from a government agency while taking evidence on the budget. This was ultimately resolved, but can be seen as indicative that total transparency at level 1 is not achieved. An interesting angle on this was presented by MSP6, who observed that in the main the Committees were heavily dependent on their budget advisors (external experts appointed by each Committee). This MSP also observed that, despite apparent transparency, the Committees had never achieved any significant budget change. This issue is taken up further below.

Regarding BL level 2 transparency, there is unanimity within our MSP interviewees. MSP5 simply said “No” to the query over whether Committee members understood budget documents. MSP6 elaborated upon this:

“Definitely not. We are offered no training. I dealt with budgets in my previous job. I took further training, read books and consulted with an expert in the field, but this is not typical”.

This latter statement indicates unevenness in levels of understanding. MSP1 observed that there is variation, because some Committee members are skilled in financial matters, but others are not. So MSP1 supports the idea of variations in the level of understanding amongst Committee members. MSP3 expanded on this by reinforcing the observation that most Committee members have a different skill set and are not finance experts. This was reiterated by MSP4 who made the comment that not all members of her Committee understood the budget documents. MSP2 said Committee members get better at understanding and interrogating budget documents with time but conceded that for most Committee members their level of understanding of the budget was narrow and constrained to the specific Committee of which they were a member. These findings suggest that BL level 2 transparency is not being attained in this study setting.

The findings on level 3 transparency, the existence of shared meanings on the budget were surprising. The analysis of documentary evidence suggests Committee members coming together for wish lists of desirable expenditure which is indicative of a level of shared understanding over the nature of the budget. However, the views of the interviewees undermine this view. As MSP2 expressed it:

“In practice the Committee comprises individuals who have different levels of understanding of budgetary processes, so a shared understanding is not readily achievable”.

This perspective is reflected in the comments of MSP3 and MSP4. As MSP3 commented:

“We are a mixed ability group on the budget. Some have a background in finance, some do not. So the idea of a ‘shared understanding’ is too much to expect”.

A refinement of this perspective was expressed by MSP4 who talked about the desire to finalise Committee reports with a shared understanding to which all the Committee can sign up. But this MSP said this was an aim to get everyone on the same wavelength, which was not actually achieved in practice.

A sharper critique was offered by MSP6, who observed that there are no shared understandings on Committees. In his view the Committee structure at the Scottish Parliament is dominated by a majority of the ruling administration. This meant Committee reports were not a case of a coming together of the thinking of Committee members. In his view these reports on the budget were an imposition of the ruling

political party views. The overhang of politics – political action and political thinking – on the budget process were elaborated upon further by MSP1. This MSP made the following observation:

“In the Committee discussions, the party element comes in. It encourages differences. Then you consider the limited skill sets of members. There is an urge to look differently at things. We do have the budget documents. We look at them, regularly. But all of us are politicians. Once you are within the political party mindset, you are working to a different angle than the idea of a shared understanding. It depends on politics and following the party line”.

These comments from our elite interviewees offer a deep insight into the budgetary processes within this parliament. The elusive attainability of level 2 transparency is because of the limited expertise of politicians. However, this evidence suggests that the shared understandings of level 3 transparency are unachievable because of political action and will, as the majority expressed by political arithmetic is used to express the Committee view. In sum, the evidence of these high level politicians is that the best that can be hoped for in terms of internal transparency is the level 1 of accessibility and even here there may be occasional flaws. Most importantly, the actions of elected representatives can undermine the stated aim of this Parliament of providing transparency and raise questions over whether the electorate can trust politicians.

6. Conclusion

The issue of transparency in government budgeting is extremely topical. Prominent bodies such as the IMF (IMF, 2014) and the OECD (OECD, 2014) have declared the importance of transparency in public finances. Academic commentators have observed the significance of transparency in contemporary debates on government, suggesting that it has become so accepted that it is beyond challenge, almost a new religion (Shah *et al.*, 2003; Hood, 2006). There is now a significant literature on the topic of transparency in government, particularly public finances. However, most of this literature is directed at discussion of transparency as an external, outward-facing phenomenon by which state bodies are, or should be, held publicly accountable for their activities. A new development in the transparency literature is the need to address *internal transparency* in public services organisations as an important element of the transparency debate (Heald, 2012; 2013; Robbins and Lapsley, 2015). This paper contributes to this debate on future directions of transparency policy and practice by

offering fresh evidence on government budgeting using a novel lens, the BL model (Biondi and Lapsley, 2014), to study internal transparency in practice. The BL model offers a more nuanced interpretation of what transparency means in practice. In particular, it does this by focussing on different levels of transparency, rather than adopting implicit assumptions over disclosure equating to transparency. Similarly, this model extends beyond the idea that transparency can be achieved by key actors understanding the nature of disclosed information. In particular, the BL model identifies the highest level of transparency as being achieved when information is not only made available (Level 1) or understood (Level 2), but when this information is acted upon in a meaningful way (Level 3). Specifically, we seek to analysis if these three levels of budget transparency articulated in the BL model are being achieved by the main actors involved in the Scottish budget process. We used the business Committees of the Scottish Parliament as a focus for this study using a combined methods approach with documentary analysis, some observation and elite interviews with experienced parliamentarians.

As stated above, this study is based on the experiences of the Scottish Parliament. This is a new Parliament which was formed in 1999. It was established in part to address a lack of transparency in parliamentary business at Westminster, from a Scottish perspective (Bogdanor, 2001). By way of response, the new Scottish Parliament was to have openness with the electorate and the public as a major consideration (Mitchell, 2006). Indeed, the Scottish Parliament was established with a specific aim of transparency in public finances and was designed to ensure the business Committees of the parliament had a significant oversight responsibility for the budgetary process Scottish Office (1998). All of this makes this study setting particularly appropriate for a study of internal transparency.

In the transparency literature, there is a presumption that transparency and openness are valued and welcomed. But this study offers evidence that this presumption is fallacious. Indeed, evidence is offered that politicians do not want transparency. There is evidence of level 1 transparency (access in the BL model's terms (Biondi and Lapsley, 2014)). However, certain of the elected representatives asserted that they had full access to information. These politicians said they could always pretty much get what they want. Nevertheless there were examples of significant issues which were raised by members of the parliament but which were not fully addressed by the Government.

More importantly, when politicians had the discretion to select open business or in camera, there was a consistent pattern of reserving important elements of the budgetary debate for private discussion. This revealed preference for a lack of transparency can be seen from the actions of the business Committees on how they deal with budgetary discussions. While budget sessions where the Committee is taking evidence are held in public, the substantive issues are in camera.

Regarding level 2 transparency as understanding (Biondi and Lapsley, 2014), there was evidence within Committee reports of significant levels of requests for clarifications where Committees could not understand budgetary documents or the members felt they were opaque. It was also a consensus view from our elite interviews that many Committee members had limited expertise in budgetary matters and did not have a good understanding of the budgetary documents. This particular finding has a direct impact on the BL model's level 3 transparency (shared meanings or understandings) (Biondi and Lapsley, 2014). Given the variability in understanding, the elite interviewees reported that there was little or no prospect of level 3 transparency being reached. Interestingly, two MSPs, one from the ruling party and one from the main opposition party stated that ultimately the decisions of the Committees were based on political arithmetic, accepting the party line and enforcing an apparent consensus by majority. These findings reaffirm the idea that politicians are not interested in transparency, although they may make public utterances in favour of it. This underlines the trust dimension in transparency. If politicians pay lip service to fundamental tenets of contemporary public finance such as transparency, this raises major issues over the extent to which electorates can trust politicians.

The topic of internal transparency is novel. There is a need for further research in this area to determine if political will and actions inhibits constrains and limits transparency in government budgeting in other contexts. This was case study research in a setting which was designed to be transparent. There is a need for further research in a variety of contexts to determine if internal transparency in governments will forever be elusive where politicians hold sway. One distinct dimension of the activities of governments and politicians is that of trust: the manner in which citizens place trust in their elected representatives and the governments which are charged with the responsibility of acting on behalf of electorates. This study has uncovered issues of trust in politicians, but has not specifically focussed on this dimension of transparency.. It is evident from this study

that the concept of trust is implicit in the debate on transparency. We recommend further research which examines both transparency and trust in government budgeting, particularly from the perspective of political action and political discretion..

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Table1. Scottish Parliament's Committees selected

Finance Committee

Economy, Energy and Tourism Committee

Infrastructure and Capital Investment Committee

Health and Sport Committee

Local Government and Regeneration Committee

Education and Culture Committee

Justice Committee

Table 2. Analysis of the Scottish Parliament's Committees meetings that deal with budget issues during Session 4

Committee	Budget meetings	Total meetings	% Budget meetings	Public (Open) budget business	Private (in camera) budget business	Total Budget business*	% Public (Open) budget business	% Private (in camera) budget business
Finance	24	79	30.38	16	10	26	61.54	38.46
Economy, Energy and Tourism	23	86	26.74	14	15	29	48.28	51.72
Infrastructure and Capital Investment	21	62	33.87	11	13	24	45.83	54.17
Health and Sport	20	89	22.47	8	13	21	38.10	61.90
Local Government and Regeneration	27	77	35.06	10	26	36	27.78	72.22
Education and Culture	19	82	23.17	9	12	21	42.86	57.14
Justice	18	92	19.57	9	10	19	47.37	52.63
Mean	21.71	81.00	27.32	11.00	14.14	25.14	44.54	55.46
Minimum	18	62	19.57	8	10	19	27.78	38.46
Maximum	27	92	35.06	16	26	36	61.54	72.22

Own elaboration from the Scottish Parliament website

Notes: *It is the sum of 'Public (Open) budget business' and 'Private (in camera) budget business' columns. This is because those budget meetings in which the Committee agreed to take some budget issues (business) in public (open) and other in private (in camera) appear represented twice (in 'Public (Open) budget business' and 'Private (in camera) budget business' columns, respectively).

Table 3. Budget business discussed by the Scottish Parliament's Committees during Session 4

<div> <div>BUDGET BUSINESS</div> <div>COMMITTEES</div> </div>	The Committee agrees its response to the Finance Committee on the Budget Strategy Phase		The Committee considers a briefing from its budget adviser on the Scottish Government's Draft Budget	The Committee agrees its approach to the scrutiny of the Scottish Government's Draft Budget	The Committee takes evidence on the Scottish Government's Draft Budget	The Committee reviews the evidence heard earlier		The Committee considers a (revised) draft report (to the Finance Committee) on the Scottish Government's Draft Budget	The Committee agrees its report on the Scottish Government's Draft Budget
	Public	Private	Private	Private	Public	Public	Private	Private	Private
Finance			✓	✓	✓		✓	✓	✓
Economy, Energy and Tourism	✓		✓	✓	✓		✓	✓	✓
Infrastructure and Capital Investment		✓	✓	✓	✓		✓	✓	✓
Health and Sport			✓	✓	✓		✓	✓	✓
Local Government and Regeneration		✓	✓	✓	✓		✓	✓	✓
Education and Culture		✓	✓	✓	✓	✓*	✓	✓	✓
Justice	✓		✓	✓	✓		✓	✓	✓
<i>Own elaboration from the Scottish Parliament website</i> Notes: *The Committee reviewed the evidence heard in only one of its meetings (26th Meeting, 23 October 2012) in public, although this is not common even in the Committee itself.									

Table 4. Analysis of Committees' requests on Scottish Government's Draft Budget 2014-15

Committee	Requests for more information	Requests for clarification	Wish list	Total requests	% Requests for more information	% Requests for clarification	% Wish list
Finance	36	19	10	65	55.38	29.23	15.38
Economy, Energy and Tourism	39	8	9	56	69.64	14.29	16.07
Infrastructure and Capital Investment	12	3	13	28	42.86	10.71	46.43
Health and Sport	14	13	14	41	34.15	31.71	34.15
Local Government and Regeneration	4	5	4	13	30.77	38.46	30.77
Education and Culture	3	5	4	12	25.00	41.67	33.33
Justice	8	2	8	18	44.44	11.11	44.44
Mean	16.57	7.86	8.86	33.29	43.18	25.31	31.51
Minimum	3	2	4	12	25.00	10.71	15.38
Maximum	39	19	14	65	69.64	41.67	46.43

Own elaboration from the Scottish Parliament website